

No. :

CR-09 01212

JF

HRL

FILED

UNITED STATES DISTRICT COURT

2009 DEC 30 PM 2:43

SEALED BY ORDER
OF THE COURT

NORTHERN DISTRICT OF CALIFORNIA

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
N.D. CA. SAN JOSE

SAN JOSE DIVISION

THE UNITED STATES OF AMERICA

vs.

JOHN D. TERZAKIS and ROBERT E. ESTUPINIAN

INDICTMENT

COUNT ONE:

18 U.S.C. § 1349 - Conspiracy to Commit Wire Fraud

COUNTS TWO - SIX:

18 U.S.C. § 1343 - Wire Fraud

COUNTS SEVEN - ELEVEN:

18 U.S.C. § 1957(a) - Money Laundering

COUNT TWELVE:

18 U.S.C. § 1956(h) - Conspiracy to Launder Monetary Instruments

C
AUSA true bill.

Jim Benz

Foreperson

Filed in open court this 30 day of Dec

A.D. 2009

United States Magistrate Judge

Bail. \$ No Bail Arrest Warrants

DOCUMENT NO.	CSA's INITIALS
Le	
DISTRICT COURT CRIMINAL CASE PROCESSING	

JOSEPH P. RUSSONIELLO (CSBN 44332)
United States Attorney

FILED

2009 DEC 30 P 2:43

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
N.D. CA. SAN JOSE

SEALED BY ORDER
OF THE COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOHN D. TERZAKIS, and
ROBERT E. ESTUPINIAN,

Defendants.

CR-09 01212

VIOLATIONS: 18 U.S.C. § 1349 –
Conspiracy to Commit Wire Fraud; 18
U.S.C. § 1343 – Wire Fraud; 18 U.S.C. §
1957 – Money Laundering; 18 U.S.C. §
1956(h) – Conspiracy to Launder Monetary
Instruments; 18 U.S.C. § 981(a)(1)(C) and
28 U.S.C. § 2461(c) – Forfeiture Allegation;
18 U.S.C. § 982 – Forfeiture Allegation

INDICTMENT

The Grand Jury charges:

COUNT ONE: (18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud)

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. Vesta Strategies, LLC (“Vesta”), was a California limited liability company with its principal place of business at 150 Almaden Boulevard, Suite 1375, and, from early 2008 until approximately July 31, 2008, at 2727 Walsh Avenue, Suite 102, in San Jose, California. Vesta was a qualified intermediary for the purpose of conducting tax-deferred real estate exchanges pursuant to Internal Revenue Service Code Section 1031 (26 U.S.C. § 1031). In general, a

INDICTMENT

1 Section 1031 exchange allows taxpayers to avoid paying tax on capital gains by depositing the
2 proceeds from an investment real estate sale, that would otherwise qualify as a taxable capital
3 gain, with a qualified intermediary for up to 180 days. Under Section 1031, if the taxpayer
4 purchases another investment property within those 180 days, the proceeds from the first sale
5 may be rolled over into the new investment without being taxed as capital gains.

6 2. John D. Terzakis was the majority owner of Vesta and controlled its business
7 activities. Terzakis owned 51% of Vesta through another entity he controlled, B & B Sparco
8 Properties, Inc. Vesta employees were paid through another Terzakis entity, Single Site
9 Solutions Corp. ("Single Site Solutions").

10 3. Robert E. Estupinian was the former Chief Executive Officer and minority owner
11 of Vesta until approximately December, 2007, when he was removed as CEO by Terzakis.
12 Estupinian owned 49% of Vesta through another entity, Mutual Vision, LLC ("Mutual Vision").
13 Estupinian ran the day-to-day operations of Vesta.

14 4. Peter C.Y. Ye was the former Vice President of Operations at Vesta. Acting at
15 the direction of the defendants, Ye served as the primary "front man" to current and prospective
16 Vesta clients.

17 5. Vesta was one of several related Section 1031 exchange entities controlled and
18 managed by the defendants. The defendants first operated Investment Advantage Group, LLC
19 ("IAG"), which later became IAG 1031, LLC. In 2004, after the IAG entities experienced client
20 redemption problems, the defendants changed the name of the company from IAG 1031 to Vesta.

21 6. Defendants also formed multiple entities related to Vesta, including Excalibur
22 1031 Group ("Excalibur"). Excalibur was controlled by Terzakis through Vesta, and operated as
23 a New Jersey-based Section 1031 exchange "front" for Vesta. Additionally, Estupinian created
24 numerous entities related to Vesta, including Vesta Reverse 100, LLC; Vesta Capital Advisors,
25 LLC; Mutual Vision; and Millennium Realty Group.

26 7. The FEDWIRE system was an electronic funds transfer and book-entry securities
27 transfer service that linked twelve Federal Reserve Banks with approximately 10,000 depository
28 institutions nationwide. Every funds transfer sent through FEDWIRE automatically triggers an

INDICTMENT

1 electronic wire communication to the Funds Transfer Host Application located in East
 2 Rutherford, New Jersey for registration before being transferred to its final destination.

3 **B. THE OBJECTS OF THE CONSPIRACY**

4 8. Beginning on a date unknown to the Grand Jury, and continuing through on or
 5 about July 31, 2008, the defendants,

6 JOHN D. TERZAKIS, and
 7 ROBERT E. ESTUPINIAN,

8 did knowingly conspire and agree with each other to execute, and to attempt to execute, a
 9 material scheme and artifice (1) to defraud Vesta clients of their Section 1031 deposits, and (2) to
 10 obtain money and property, namely, Vesta client deposits, by means of materially false and
 11 fraudulent pretenses, representations, and promises, and, for the purpose of executing such
 12 scheme and artifice and attempting to do so, knowingly to transmit, and cause to be transmitted,
 13 by wire in interstate commerce certain writings, signs, signals, pictures, in violation of Title 18,
 14 United States Code, Section 1343.

15 **The Scheme to Defraud**

16 9. As part of this conspiracy to defraud and to obtain money by means of materially
 17 false and fraudulent pretenses, representations, and promises, the defendants solicited millions of
 18 dollars of deposits through false pretenses, failed to hold clients' deposits as promised, and
 19 misappropriated and converted clients' deposits to the defendants' benefit without the knowledge
 20 or authorization of the clients.

21 **C. THE MANNER AND MEANS OF THE CONSPIRACY**

22 10. The objects of the conspiracy were carried out, in substance, as follows:

23 a. the defendants solicited and caused others to solicit prospective clients to
 24 deposit funds with Vesta based upon, among other false representations and promises, the
 25 following: (1) that Vesta would hold client deposits and, at the appropriate time, return those
 26 deposits as promised; (2) that client funds would be deposited and held with established banks
 27 such as Merrill Lynch; (3) that Vesta would maintain client funds in dual signature accounts; (4)
 28 that Vesta was insured and bonded, and that client funds were therefore protected against fraud,

INDICTMENT

1 errors and omissions; and (5) that certain clients who deposited substantial funds would receive
2 preferential treatment, including lower fees and a share of the interest proceeds earned during the
3 deposit period. Clients were never told that their deposits would be used to pay off Vesta's
4 obligations to existing clients, or that client funds would be converted to the personal use of the
5 defendants.

6 b. In truth and fact, as defendants well knew, their representations to Vesta's
7 clients were false. Defendants not only failed to hold clients' deposits in trust as promised, but
8 instead misappropriated and converted clients' deposits for their own use, including to use to pay
9 redemptions owed to earlier clients.

10 c. In furtherance of the scheme, the defendants monitored the deposits of
11 client funds into the Vesta accounts. After the client funds were deposited into one of Vesta's
12 two primary bank accounts at Merrill Lynch and East West Bank, the defendants diverted, and
13 directed Ye and others to divert, those funds: (1) to different accounts and entities controlled by
14 Terzakis, including, among others, multiple accounts at Parkway Bank & Trust and East West
15 Bank, Midwest Properties, and Single Site Solutions; (2) to different accounts and entities
16 controlled by Estupinian, including Vesta Reverse 100, LLC; Vesta Capital Advisors, LLC;
17 Mutual Vision; and Millennium Realty Group; (3) to Vesta operating accounts for the purpose of
18 paying Vesta expenses; and (4) to pay redemptions owed to existing Vesta clients.

19 d. In connection with this scheme to defraud, the defendants accepted
20 millions of dollars of deposits, cumulatively, from individual clients. From the outset of the
21 scheme, and throughout its duration, the defendants received client deposits through interstate
22 wire transfers from financial institutions located outside the State of California, and also
23 transferred and caused others to transfer client deposits through interstate wire transfers to
24 financial institutions located outside the State of California.

25 e. In connection with this scheme to defraud, the defendants created and
26 caused to be created a broad infrastructure at Vesta to generate the impression and support the
27 appearance that Vesta was operating as a legitimate Section 1031 qualified intermediary in which
28 client deposits were securely held and redeemed as promised, and to conceal the fact that client

deposits were being misappropriated by individuals affiliated with Vesta, or that new client deposits were being used to pay off obligations due to existing Vesta clients. Among other fraudulent activities in furtherance of the conspiracy, the defendants created and executed exchange agreements and related contracts on behalf of Vesta with clients, caused Vesta's employees, including sales associates and office staff, to create the false impression with clients that Vesta was a trustworthy, financially-sound company, that clients' deposits would be secure, and that the clients' deposits would be returned as promised at the time of redemption.

D. OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY

11. In furtherance of the conspiracy and to accomplish its objects, the defendants, and others known and unknown to the Grand Jury, committed and caused to be committed the following overt acts, among others, within the Northern District of California, and elsewhere:

DATE	DEFENDANTS	OVERT ACTS
1/9/2004	Terzakis Estupinian	Filing with the State of California the Articles of Organization for Vesta Strategies, LLC.
7/5/2006	Estupinian	Issuance of a "promissory note" in the amount of \$910,000 funded by Vesta client deposits, with the interest rate of 4.52%, from Vesta to Vesta Capital Advisors, an entity controlled by Estupinian.
7/6/2006	Terzakis	Issuance of a "promissory note" in the amount of \$3,500,000 funded by Vesta client deposits, with an unknown interest rate and term, from Vesta to Single Site Solutions, an entity controlled by Terzakis.
1/22/2007	Estupinian	Issuance of a \$250,000 "promissory note" from Vesta to Peter Ye, through Vesta Reverse 100, an entity controlled by Estupinian.
5/15/2007	Terzakis Estupinian	Transfer of \$400,000 via FEDWIRE, constituting a deposit by client C.P. into Vesta's East West Bank account #6905.
5/16/2007	Terzakis Estupinian	Transfer of \$349,000 from client C.P.'s deposit to East West Bank account #3432.
5/16/2007	Terzakis Estupinian	Transfer of \$349,000 from client C.P.'s deposit to Parkway Bank account #1650 to pay-off client redemption from IAG.
9/6/2007	Terzakis Estupinian	Transfer of \$152,753.27 via FEDWIRE, constituting a deposit by client L.A. into Vesta's Merrill Lynch account #2064.

INDICTMENT

1	9/7/2007	Estupinian	Transfer of \$150,000 from client L.A.'s deposit to Vesta's Wells Fargo Bank account #0810.
2	9/7/2007	Estupinian	Issuance of check for \$66,000 from Vesta's account #0810 to Millennium Realty as a "referral fee."
3	11/9/2007	Terzakis Estupinian	Transfer of \$1,959,597.95 via FEDWIRE, constituting a deposit by J.S. and M.S. into Vesta's East West Bank account #8679.
4	11/9/2007	Terzakis Estupinian	Transfer of \$1,959,597.95 from clients J.S. and M.S.'s deposit to East West Bank account #3432.
5	11/9/2007	Terzakis Estupinian	Transfer of \$1,198,750. from client J.S. and M.S.'s deposit to pay-off unrelated Vesta client redemption.
6	11/15/2007	Terzakis Estupinian	Transfer of \$2,037,198.11 via FEDWIRE, constituting a deposit by client C.W. into Vesta's East West Bank account #6954.
7	11/16/2007	Terzakis Estupinian	Transfer of \$2,037,198.11 from client C.W.'s deposit to Vesta's East West Bank account #3432.
8	11/16/2007	Terzakis	Transfer of \$1,600,000 from client C.W.'s deposit Vesta's Parkway Bank account #4457.
9	11/16/2007	Terzakis	Transfer of \$525,000 from client C.W.'s deposit to Midwest Properties' Parkway Bank account #0800.
10	11/19/2007	Terzakis	Transfer of \$75,000 from client C.W.'s deposit to Midwest Properties' Parkway Bank account #0800.
11	11/20/2007	Terzakis	Transfer of \$500,000 from client C.W.'s deposit to Midwest Properties' Parkway Bank account #0800.
12	3/14/2008	Terzakis	Transfer of \$11,229,766.65 via FEDWIRE, constituting a deposit by client T.S.O. into Excalibur 1031 Group, LLC, Fifth Third Bank account #7277.
13	3/14/2008	Terzakis	Transfer of \$3,500,000 from client T.S.O.'s deposit to Vesta's Parkway Bank & Trust account #4457.
14	3/14/2008	Terzakis	Transfer of \$1,200,000 from client T.S.O.'s deposit to Midwest Properties' Parkway Bank account #0800.
15	3/18/2008	Terzakis	Transfer of \$1,500,000 from client T.S.O.'s deposit to Parkway Bank account #4457.
16	3/18/2008	Terzakis	Three separate transfers in the amounts of: (1) \$200,000; (2) \$1,250,000; and (3) \$610,000 from client T.S.O.'s deposit to account #0800.
17	3/21/2008	Terzakis	Issuance of a check in the amount of \$30,000 from client T.S.O.'s deposit to Terzakis' personal Harris Bank account #7605.

INDICTMENT

12. As additional overt acts committed in the Northern District of California, and elsewhere, in furtherance of the conspiracy and to accomplish its objects, the government hereby incorporates the factual allegations in each of Counts Two through Eleven, as if those allegations were fully set forth here.

All in violation of Title 18, United States Code, Sections 1349 and 1343.

COUNTS TWO THROUGH SIX: 18 U.S.C. § 1343 – Wire Fraud

13. The factual allegations set forth in paragraphs one through twelve are realleged and incorporated as if fully set forth here.

14. Beginning on a date unknown to the Grand Jury, and continuing through on or about July 31, 2008, in the Northern District of California and elsewhere, the defendants named in each of counts Two through Six below, having devised and intending to devise a material scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did, for the purpose of executing said scheme and artifice, transmit and cause to be transmitted by means of wire communications in interstate commerce the wire transfers identified below:

COUNT	DATE	DEFENDANTS	WIRE TRANSFER
Two	5/15/2007	Terzakis Estupinian	Transfer via FEDWIRE of \$400,000 in client funds from Los Angeles, California, to Pasadena, California, via registration wire to East Rutherford, New Jersey.
Three	9/6/2007	Terzakis Estupinian	Transfer via FEDWIRE of \$152,753.27 in client funds from Bethesda, Maryland, to Pittsburgh, Pennsylvania, via registration wire to East Rutherford, New Jersey.
Four	11/9/2007	Terzakis Estupinian	Transfer via FEDWIRE of \$1,959,597.95 in client funds from Los Angeles, California, to Pasadena, California, via registration wire to East Rutherford, New Jersey.
Five	11/15/2007	Terzakis Estupinian	Transfer via FEDWIRE of \$2,037,198.11 in client funds sent from Houston, Texas, to Pasadena, California via registration wire to East Rutherford, New Jersey.
Six	3/14/2008	Terzakis	Transfer via FEDWIRE of \$11,229,766.65 from Monroe Township, New Jersey, to Cincinnati, Ohio via registration wire to East Rutherford, New Jersey.

INDICTMENT

All in violation of Title 18, United States Code, Section 1343.

COUNTS SEVEN through ELEVEN: (18 U.S.C. § 1957(a) – Money Laundering)

15. The allegations set forth in paragraphs one through twelve, and the factual allegations set forth in each of Counts Two through Six, are realleged and incorporated as if fully set forth here.

16. On or about the dates listed below, in the Northern District of California and elsewhere, the defendants, as named in each of counts Seven through Eleven, did knowingly engage in a monetary transaction by, through, or to a financial institution, affecting interstate commerce, involving criminally derived property of a value greater than \$10,000, said property having in fact been derived from a specified unlawful activity, namely, wire fraud:

COUNT	DATE	DEFENDANTS	TRANSACTION
Seven	5/16/2007	Terzakis Estupinian	Transfer of \$349,000 from East West Bank account #3432 to Parkway Bank account #1650.
Eight	9/7/2007	Estupinian	Issuance of check in the amount of \$66,000 from Vesta's Wells Fargo account #0810 to Millennium Realty.
Nine	11/16/2007	Terzakis	Transfer of \$525,000 from Parkway Bank & Trust account #4457 to Midwest Properties' Parkway Bank account #0800.
Ten	3/14/2008	Terzakis	Transfer of \$1,200,000 from Parkway Bank & Trust account #4457 to Midwest Properties' Parkway Bank account #0800.
Eleven	3/21/2008	Terzakis	Issuance of a check in the amount of \$30,000 from Parkway Bank & Trust account #0800 to Terzakis' personal Harris Bank account #7605.

All in violation of Title 18, United States Code, Section 1957(a).

COUNT TWELVE: (18 U.S.C. § 1956(h) – Conspiracy to Launder Monetary Instruments)

17. The allegations set forth in paragraphs one through twelve, and the factual allegations set forth in each of Counts Seven through Eleven, are realleged and incorporated as if fully set forth here.

INDICTMENT

18. Beginning on a date unknown to the Grand Jury, and continuing through on or about July 31, 2008, in the Northern District of California and elsewhere, the defendants,

JOHN D. TERZAKIS, and
ROBERT E. ESTUPINIAN,

did knowingly and intentionally conspire with each other and with others known and unknown to the Grand Jury to commit the offenses alleged on Counts Seven through Eleven of this Indictment.

All in violation of Title 18, United States Code, Section 1956(h).

FORFEITURE ALLEGATION

(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) –
Forfeiture of Proceeds of Specified Unlawful Activity)

19. The allegations set forth in paragraphs one through eighteen, and in each of Counts One through Six, conspiracy to commit wire fraud, and wire fraud, are realleged and incorporated as if fully set forth here for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c). Upon conviction for any offense alleged in Counts One through Six, for conspiracy to commit wire fraud and wire fraud, the defendants shall forfeit to the United States all property, constituting and derived from proceeds traceable to said offense, including, but not limited to:

A. **Money judgment in the amount of \$24,633,341.34.**

20. If any of said property, as a result of any act or omission of the defendant:

- A. cannot be located upon the exercise of due diligence;
- B. has been transferred or sold to or deposited with, a third person;
- C. has been placed beyond the jurisdiction of the Court;
- D. has been substantially diminished in value; or
- E. has been commingled with other property which cannot be subdivided without difficulty;

any and all interest defendant has in other property shall be vested in the United States and forfeited to the United States pursuant to Title 21, United States Code, Section 853(p), as

INDICTMENT

1 incorporated by Title 28, United States Code, Section 2461(c) and Rule 32.2 of the Federal Rules
2 of Criminal Procedure.

3
4 SECOND FORFEITURE ALLEGATION (18 U.S.C. § 982 – Forfeiture of Property Involved
5 in Money Laundering)

6 21. The allegations set forth in paragraphs one through twenty, and the allegations set
7 forth in each of Counts Seven through Twelve, money laundering, and conspiracy to launder
8 monetary instruments, are realleged and incorporated as if fully set forth here for the purpose of
9 alleging forfeiture pursuant to 18 U.S.C. § 982. Upon conviction for any offense alleged in
10 Counts Seven through Twelve, money laundering, or conspiracy to launder monetary
11 instruments, the defendants shall forfeit to the United States all property, constituting and derived
12 from proceeds traceable to said offense, including, but not limited to:

13 A. **Money judgment in the amount of \$24,633,341.34.**

14 22. If any of said property, as a result of any act or omission of the defendant:

- 15 A. cannot be located upon the exercise of due diligence;
- 16 B. has been transferred or sold to or deposited with, a third person;
- 17 C. has been placed beyond the jurisdiction of the Court;
- 18 D. has been substantially diminished in value; or
- 19 E. has been commingled with other property which cannot be subdivided
20 without difficulty;

21 //

22 //

23 //

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25 //

26 //

27 //

28 //

INDICTMENT

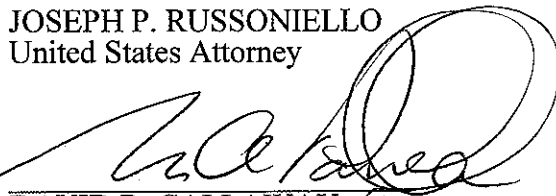
any and all interest defendant has in other property shall be vested in the United States and forfeited to the United States pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) and Rule 32.2 of the Federal Rules of Criminal Procedure.

DATED: December 30, 2009

A TRUE BILL.


FOREPERSON

JOSEPH P. RUSSONIELLO
United States Attorney


DAVID R. CALLAWAY *for*
Chief, San Jose Branch

(Approved as to form: )
AUSA DANIEL R. KALEBA

INDICTMENT

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING
OFFENSE CHARGED

SEE ATTACHED SHEET

- ☐
- Petty
-
- ☐
- Minor
-
- ☐
- Misdemeanor
-
- ☒
- Felony

PENALTY:

SEE ATTACHED SHEET

SEALED BY ORDER
OF THE COURT**PROCEEDING**

Name of Complainant Agency, or Person (& Title, if any)

Dave Brown, FBI

- ☐
- person is awaiting trial in another Federal or State Court, give name of court

- ☐
- this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

- ☐
- this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. Att'y ☐ Defense

- ☐
- this prosecution relates to a pending case involving this same defendant

- ☐
- prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

SHOW
DOCKET NO.MAGISTRATE
CASE NO.
 Name and Office of Person
 Furnishing Information on
 THIS FORM

JOSEPH P. RUSSONIELLO

☒ U.S. Att'y ☐ Other U.S. Agency

 Name of Asst. U.S. Att'y
 (if assigned)

AUSA DANIEL KALEBA

 Name of District Court, and/or Judge/Magistrate Location
 NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S. 2009 DEC 30 P 2:43

JOHN D. TERZAKIS

RICHARD W. WIEKING

DISTRICT COURT NUMBER

CR-09 01212

JF

DEFENDANT

HRL

IS NOT IN CUSTODY

- 1)
- ☒
- Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges
-
- 2)
- ☐
- Is a Fugitive
-
- 3)
- ☐
- Is on Bail or Release from (show District)

IS IN CUSTODY

- 4)
- ☐
- On this charge
-
- 5)
- ☐
- On another conviction
-
- 6)
- ☐
- Awaiting trial on other charges }
- ☐
- Fed'l
- ☐
- State
-
- If answer to (6) is "Yes", show name of institution

 Has detainer
 been filed?

☐ Yes
☐ No

 If "Yes"
 give date
 filed

 DATE OF
 ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

Month/Day/Year

 DATE TRANSFERRED
 TO U.S. CUSTODY

☐ This report amends AO 257 previously submitted
ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**
☐ SUMMONS ☐ NO PROCESS*
☒ WARRANT

Bail Amount: None

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

United States v. Terzakis et al.
Penalty Sheet

Count One: 18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud

- i. Imprisonment: 20 years maximum
- ii. Fine: \$250,000
- iii. Supervised release: 3 years supervised release
- iv. Special assessment: \$100

Counts Two - Six: 18 U.S.C. § 1343 – Wire Fraud

- i. Imprisonment: 20 years maximum
- ii. Fine: \$250,000
- iii. Supervised release: 3 years supervised release
- iv. Special assessment: \$100

Counts Seven – Eleven: 18 U.S.C. § 1957 – Money Laundering

- i. Imprisonment: 10 years maximum
- ii. Fine: \$250,000, or twice the amount of the criminally derived property involved in the transaction
- iii. Supervised release: 3 years supervised release
- iv. Special assessment: \$100

Count Twelve: 18 U.S.C. § 1956(h) – Conspiracy to Launder Monetary Instruments

- i. Imprisonment: 10 years maximum
- ii. Fine: \$250,000, or twice the amount of the criminally derived property involved in the transaction
- iii. Supervised release: 3 years supervised release
- iv. Special assessment: \$100

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURTBY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING**OFFENSE CHARGED**

SEE ATTACHED SHEET

- ☐
- Petty
-
- ☐
- Minor
-
- ☐
- Misdemeanor
-
- ☒
- Felony

PENALTY:

SEE ATTACHED SHEET

SEALED BY ORDER
OF THE COURT**PROCEEDING**

Name of Complainant Agency, or Person (& Title, if any)

Dave Brown, FBI

☐ person is awaiting trial in another Federal or State Court, give name of court☐ this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:☐ U.S. Att'y ☐ Defense☐ this prosecution relates to a pending case involving this same defendant☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded underSHOW
DOCKET NO.MAGISTRATE
CASE NO.Name and Office of Person
Furnishing Information on
THIS FORM

JOSEPH P. RUSSONIELLO

☒ U.S. Att'y ☐ Other U.S. AgencyName of Asst. U.S. Att'y
(if assigned)

AUSA DANIEL KALEBA

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT - U.S.

ROBERT E. ESTUPINIAN

DISTRICT COURT NUMBER

CR-09 01212

DEFENDANT**IS NOT IN CUSTODY**

- 1) ☒ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) ☐ On this charge
- 5) ☐ On another conviction
- 6) ☐ Awaiting trial on other charges } ☐ Fed'l ☐ State
- If answer to (6) is "Yes", show name of institution

Has detainer
been filed?☐ Yes
☐ NoIf "Yes"
give date
filedDATE OF
ARREST

Month/Day/Year

Or... If Arresting Agency & Warrant were not

DATE TRANSFERRED
TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted**ADDITIONAL INFORMATION OR COMMENTS****PROCESS:**☐ SUMMONS ☐ NO PROCESS*☒ WARRANT

Bail Amount: None

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments:

12

United States v. Terzakis et al.
Penalty Sheet

Count One: 18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud

- i. Imprisonment: 20 years maximum
- ii. Fine: \$250,000
- iii. Supervised release: 3 years supervised release
- iv. Special assessment: \$100

Counts Two - Six: 18 U.S.C. § 1343 – Wire Fraud

- i. Imprisonment: 20 years maximum
- ii. Fine: \$250,000
- iii. Supervised release: 3 years supervised release
- iv. Special assessment: \$100

Counts Seven – Eleven: 18 U.S.C. § 1957 – Money Laundering

- i. Imprisonment: 10 years maximum
- ii. Fine: \$250,000, or twice the amount of the criminally derived property involved in the transaction
- iii. Supervised release: 3 years supervised release
- iv. Special assessment: \$100

Count Twelve: 18 U.S.C. § 1956(h) – Conspiracy to Launder Monetary Instruments

- i. Imprisonment: 10 years maximum
- ii. Fine: \$250,000, or twice the amount of the criminally derived property involved in the transaction
- iii. Supervised release: 3 years supervised release
- iv. Special assessment: \$100